MINISTRY OF JUSTICE

QUEEN'S PRINTER REVOLVING FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2016

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Queen's Printer Revolving Fund, which comprise the statement of financial position as at March 31, 2016, and the statement of operations and accumulated surplus/(deficit), and the statement of changes in accumulated net recovery /(expenditure) for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Queen's Printer Revolving Fund as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Judy Ferguson, FCPA, FCA
Provincial Auditor

Regina, Saskatchewan
July 6, 2016

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Ministry of Justice
Queen's Printer Revolving Fund
Statement of Financial Position
As at March 31

	2016	2015
Financial Assets		
Cash	$ 300	$ 575
Accounts receivable	67,482	145,997
Accumulated net recovery (Statement 3)	78,040	-
Total Financial Assets	$ 145,822	$ 146,572
Liabilities		
Accounts payable and accrual liabilities	120,432	96,411
Unearned revenue (Note 7)	7,592	8,740
Accumulated net expenditure (Statement 3)	-	71,965
Total Liabilities	$ 128,024	$ 177,116
Net Financial Assets	$ 17,798	$ (30,544)
Non-Financial Assets		
Tangible capital assets (Note 3)	19,794	25,819
Accumulated Surplus / (Deficit) (Statement 2)	$ 37,592	$ (4,725)

(See accompanying notes to the financial statements)

Ministry of Justice
Queen's Printer Revolving Fund
Statement of Operations and Accumulated Surplus / (Deficit)
As at March 31

	Budget 2016 (Note 10)	Actual 2016	Actual 2015
Revenue			
Sales	$ 1,030,000	$ 1,048,220	$ 1,025,737
Cost of Goods Sold	(270,000)	(305,833)	(334,728)
Gross Profit	$ 760,000	$ 742,387	$ 691,009
Operating Expenses			
Salaries	710,000	707,926	700,413
Information Technology	105,000	34,937	13,146
Telephone	10,000	11,994	10,293
Office Supplies	12,000	11,893	10,640
Amortization	-	6,025	6,025
Other	18,000	22,295	24,827
Total Operating expenses	$ 855,000	$ 795,070	$ 765,344
(Loss) from operations	(95,000)	(52,683)	(74,335)
Subsidy from General Revenue Fund	95,000	95,000	-
Net gain/(loss) after subsidy	$ -	$ 42,317	$ (74,335)
Accumulated (Deficit)/Surplus - beginning of year		$ (4,725)	$ 69,610
Accumulated Surplus/(Deficit) - end of year (Statement 1)		$ 37,592	$ (4,725)

(See accompanying notes to the financial statements)

Ministry of Justice
Queen's Printer Revolving Fund
Statement of Changes in Accumulated Net Recovery / (Expenditure)
As at March 31

	2016	2015
Financing applied to operating activities:		
Net gain/(loss) after subsidy (Statement 2)	$ 42,317	$ (74,335)
Net increase/(decrease) in working capital related to operations (Note 8)	101,663	(55,952)
Amortization expense	6,025	6,025
Net decrease/(increase) in financing requirements	$ 150,005	$ (124,262)
Accumulated net (expense)/recovery - beginning of year	$ (71,965)	$ 52,297
Accumulated net recovery/(expense) - end of year (Statement 1)	$ 78,040	$ (71,965)

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2016

1. Authority and Definition of Reporting Entity

The Queen's Printer Revolving Fund (Revolving Fund) operates under the authority of Section 9.1 of *The Queen's Printer's Act*. The purpose of the Revolving Fund is to provide a mechanism for printing, publishing and distributing government documents and publications to the public.

Management of the Revolving Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards. Management is also responsible to maintain a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

2. Significant Accounting Policies

Pursuant to standards issued by the Public Sector Accounting Board and published by the Chartered Professional Accountants of Canada (CPA), the Revolving Fund is classified as another government organization. Accordingly, these financial statements are prepared in accordance with Canadian Public Sector Accounting Standards. These financial statements do not present a Statement of Changes in Net Financial Assets or a Statement of Cash Flows because this information is readily apparent from the other statements and Note 8. The following accounting policies are considered significant:

a) Accumulated net recovery / (expenditure)

Expenditures of the Revolving Fund are made directly out of the General Revenue Fund (GRF) and receipts are deposited directly into the GRF. The excess of the accumulated expenditures over accumulated receipts is the accumulated outstanding borrowing from the GRF.

The accumulated net recovery / (expenditure) of the Revolving Fund includes the aggregate of net financing requirements for all fiscal years resulting from the Revolving Fund's changes in working capital and net cash flow from operations.

b) Cash

Cash represents amounts collected but not yet transferred to the GRF.

c) Revenue recognition

Sales are recognized when documents/publications are delivered to customers. Subscriptions to the Saskatchewan Gazette are earned on a monthly basis.

d) Use of estimates

These statements are prepared in accordance with Canadian Public Sector Accounting Standards. These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

e) Tangible Capital Assets

Tangible capital assets are recorded at cost net of accumulated amortization. The cost and related accumulated amortization of items retired or disposed of are removed from the records and any gains or losses are included in the statement of operations and accumulated surplus. Amortization of all tangible capital assets is charged to operations using the straight-line method at the following rates:

Office Equipment	10%
System Software	20%

f) Tangible Capital Asset Thresholds

The threshold limits for capitalizing tangible capital assets are as follows:

Office Equipment	$10,000
System Software	$10,000

3. Tangible Capital Assets

	2016			2015
	Office Equipment	System Software	Total	Total
Opening Cost	$ 15,486	$ 22,383	$ 37,869	$ 37,869
Additions during the Year	$ -	$ -	$ -	$ -
Closing Cost	$ 15,486	$ 22,383	$ 37,869	$ 37,869
Opening Accumulated Amortization	$ 3,097	$ 8,953	$ 12,050	$ 6,025
Annual Amortization	$ 1,548	$ 4,477	$ 6,025	$ 6,025
Closing Accumulated Amortization	$ 4,645	$ 13,430	$ 18,075	$ 12,050
Ending Net Book Value	$ 10,841	$ 8,953	$ 19,794	$ 25,819

4. Financial Instruments

The fair value of financial assets and financial liabilities approximates their carrying value due to their immediate or short-term nature.

5. Authorized Financing

Subsection 9.1(10) of *The Queen's Printer's Act* provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of $150,000 was established by Order in Council 667/89.

6. Accumulated Surplus/Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated surplus (deficit). If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus (deficit) for approval by Treasury Board. Plans may include, but are not limited to payment of excess surpluses, or to requests for additional funding from, the GRF. The limit for the Revolving Fund is $100,000.

7. Unearned Revenue

Unearned revenue consists of the subscriptions to the Saskatchewan Gazette for the period that extends beyond the fiscal year and prepaid orders which were not fulfilled.

8. Net Changes in Working Capital Related to Operations

	2016	2015
Decrease in accounts receivable	$ 78,515	$ 60,066
Decrease/(Increase) in cash	275	(51)
Increase/(Decrease) in accounts payable and accrued liabilities	24,021	(115,678)
(Decrease) in unearned revenue	(1,148)	(289)
Net increase/(decrease) in working capital related to operations	**$ 101,663**	**$ (55,952)**

9. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Revolving Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Publications are sold and services are provided to related parties at amounts agreed to by the parties. These amounts are lower than those charged to the public.

These transactions and amounts outstanding at year-end are as follows:

	2016	2015
Sales	$ 633,535	$ 472,215
Accounts receivable	33,570	63,683

Routine operating transactions with related parties are recorded at the agreed upon rates and are settled on normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2016	2015
Expenses	$ 100,623	$ 118,091
Accounts payable and accrued liabilities	11,844	17,869

In addition, the Revolving Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, use of tangible capital assets and certain administrative costs. These costs have been absorbed by various ministerial appropriations and therefore no provision for such costs is reflected in these financial statements.

10. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

11. Amount Reported in the Public Accounts

The accumulated net recovery (expenditure) of the Revolving Fund reported in the Public Accounts is the accumulated net recovery (expenditure) of the Revolving Fund adjusted for the following difference.

	2016	2015
Accumulated net recovery / (expenditure)	$ 78,040	$ (71,965)
Timing differences in recording transactions	(40,968)	---
Adjustment to decrease Accumulated net expenditure in Public Accounts	94	94
Accumulated net recovery / (expenditure) reported in Public Accounts	$ 37,166	$ (71,871)

12. Credit Risk

The Revolving Fund is exposed to credit risk from the potential non-payment of accounts receivable. Accounts receivable balances are outstanding from many customers, which helps reduce credit risk.